GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:2532
ANSWERED ON:07.03.2003
NEDUNGADI BANK
AJAY CHAKRABORTY;T. GOVINDAN

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Nedungadi Bank has been merged with the Punjab National Bank;

(b) if so, the terms and conditions of the merged agreement and since when it has become effective;

(c) whether the Government have some proposal for merger of such other banks with Public Sector Banks; and

(d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL):

(a) Yes, Sir.

(b) The scheme of amalgamation of Nedungadi Bank Ltd. (NBL) with Punjab National bank (PNB)came into effect from 1st February 2003. The terms and conditions of scheme inter-alia include that:â€”

(i) The business, properties, assets and liabilities of NBL shall stand transferred to PNB;

(ii) All contracts, deeds, bonds, agreements, powers of attorney etc. having effect immediately before the date of amalgamation, shall be effective and may be acted upon as if PNB had been a party thereto or as if it had been issued in favour of NBL;

(iii) Any suit, appeal, legal proceedings pending shall not abate, be discontinued or be prejudicially affected but shall be prosecuted and enforced by or against the transferee bank;

(iv) The books of NBL shall be closed and balanced and balance sheet prepared at the closeof business on the date immediately preceding imposition of moratorium and the balance sheet shall be got audited and certified;

(v) PNB shall, in consultation with NBL, value the assets and reckon the liabilitiesof NBL in the manner prescribed in the Scheme. PNB shall discharge the liabilities ofNBL and make payment to the creditors and depositors in the manner specified in the Scheme. As regards payment to depositors, Scheme, inter-alia, provides that in respect of everysavings bank account, current account or any other deposit account, including the interest to the extent payable under the scheme, the transferee bank shall open with itself a corresponding and similar account and credit the full amount including interest in respect of each of the accounts;

(vi) All the employees of NBL shall continue in service and be deemed to have been appointedin PNB at the same remuneration and on the same terms and conditions of service as were applicable to them before the amalgamation.

(c) No, Sir.

(d) Does not arise.